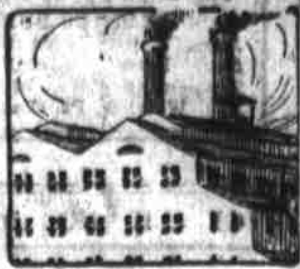


SUGAR AND LUMBER



SEVEN MEN WILL HOLD CONTROL OF CONCERN SUCCEEDING HACKFELDS

Increase in Number of Members of Voting Trust Only Important Change From Proposed Agreement; Figure Satisfactory But Less Than First Offered For Enemy Held Stock In Attempted Reorganization

Reorganization plans for the German-owned firm of Hackfeld & Company are again in the limelight and will occupy the stage center until after the meeting of July 19, at least. Those plans are substantially as printed in The Advertiser yesterday morning, the only important change being that the holding voting trust will consist of seven instead of five members. Two members will not be selected until the stock in the new corporation shall have been allotted and then will be filled by the stockholders.

The five known members of the holding-voting trust are Frank C. Atherton, of Castle & Cooke, Richard Cooke of C. Brewer & Company, Charles Hemmaway of Alexander & Baldwin, George Sherman and Richard H. Trent. On the face of it this would seem to be putting the control of the new company in the hands of representatives of rival business houses but it is claimed that any possible objectionable features to this will be removed, have already been prevented.

No Previous Agreement
It was originally planned to have an agreement signed by all stockholders in advance of the meeting at which dissolution of Hackfeld & Company is decided on. It was from that agreement that The Advertiser secured the information as to the terms of dissolution and of reorganization. The plan to secure such advance agreement has been upset and abandoned and the "hurry up" telegram necessitated another course of action. That course will be the adoption of the plan contained in the agreement, and published by The Advertiser, by the stockholders at the meeting on the nineteenth, instead of preliminary agreements. The plan to be presented will be the agreement deleted of all unnecessary verbiage, eliminating a lot of "whereases". It is also that a perfectly satisfactory figure to be realized for the stock of H. Hackfeld & Company has been decided on, one that removes the objections that a few had found to signing the agreement, though the price is considerably less than the proposed reorganizers were willing to pay. The purpose of such agreement was to have unanimous consent before the meeting. Now the decision will come by way of a majority vote. The stockholders may take or leave the plan but Hackfeld & Company is to go out of existence in any event.

Cause of Delay
There has been some misunderstanding as to the occasion for the delay in reorganization. In part these were occasioned from Washington when orders

were received here to wait until representatives of the John McCandless had been heard. The plan of that but did not differ materially from the former plan of reorganization which the custodian had turned down. The name was not to be changed, there was to be no new company, only the enemy held stock was to be sold and, it is reported on the 12th, that promises were made that employees would not be changed. That plan failed of acceptance to the custodian but its consideration had occasioned a considerable delay here. In spite of this came the "hurry up" telegram that the American and British governments were impatient and would not tolerate further delay.

Stock in Plantations

It is learned that where the company is largely German held, as in the case of H. Hackfeld & Company, and in cases where a majority or very large minority of stock is enemy held, the policy of the custodian is always to effect a dissolution of the company along lines similar to those proposed here. But where the enemy holdings are smaller only the enemy held stock will be sold. This affects the plantation companies here of which Hackfeld & Company is agent and as to which there have been heard many questions as to why a similar course was not pursued. The enemy-held stock in those plantation companies are later to be sold, it is reported, but they will not have to go through a process of dissolution and rebirth as is the case with H. Hackfeld & Company.

Management Assured

It is understood that one reason for the putting on the holding voting trust members of other houses is in the same line of business was an objection raised by opponents of the reorganization and given some publicity that the plantation companies would not continue their agencies with the proposed new companies unless assured of the management, that competent and experienced men in which the stockholders of the plantation companies could have confidence would have the handling of the business and that in the absence of such assurance the business would go to other sugar agencies. The putting of representatives of such houses on the voting trust, it is claimed, goes to the satisfaction of the reorganizers.

Yesterday afternoon attorneys were engaged to draw up the proposed agreement and to get it ready to be voted on at the meeting of the directors of Hackfeld & Company this morning without any important changes from the binding clauses of the agreement that had been proposed.

INCREASE IN SUGAR PRICES IS EXPECTED BY ALL CANE GROWERS

As is the case here in Hawaii so in Cuba the planters are anxiously looking forward to the determination of the price for the next year's crop and there, as here, they are expecting a substantial increase in price. Writing on this subject under date of July 13 at Havana, H. O. Neville, the Cuban correspondent of Facts About Sugar says:

"The question of what level will be determined for the basic price of raws of the next crop is receiving considerable attention at present in Cuban sugar circles. Mr. Morgan, the representative of the United States War Trade Board in Cuba, has it is reported, assured the Cuban producers that higher prices will rule for the coming crop. President Hawley, of the Cuban American Sugar Company, who was largely instrumental in fixing last year's price, is also said to have confidentially intimated to the producers that an advance in price can reasonably be expected this year.

Want Small Mills Considered
The new price to be determined by the producers' board should be profitable not only for the large, modern mills, but also to the small and behind-the-times mills. Proper consideration, they declare, must also be given the higher agricultural and production costs of western Cuba as compared with lower costs in the lower lands of the eastern provinces.

The producers are also arguing that cost problems involved which can be settled locally should be decided before any new price is fixed. They state that otherwise the planter will not know definitely what he is going to obtain for his crop. This agitation refers to anticipated increased local taxation on sugar for revenue purposes—always possible and ever probable in Cuba, where the yearly budget is continually increasing; to stabilizing railroad rates, as freight tariffs seem to

have a tendency to accompany the budget in their annual rise; and to warehouses and interest charges, now chaotic and inequitable in many cases, which it is desired to have determined on a permanent and equitable basis. If these questions are settled early it will be possible, the producers claim, to fix a price for next year's crop that will unquestionably be more just than was the case with that set for the present crop.

Representatives of the sugar industry went to Washington to settle this and other matters, so far as they were able and on this point dispatches from New Orleans say:

With the departure for the national capital of Judge R. E. Milling, chairman of the Louisiana Sugar Committee, a committee of three representing the nearly organized Sugar and Molasses Distributors' Association, and a prominent local weigher and gauger, the center of interest in the sugar situation has shifted from New Orleans to Washington.

Submit Proposition Soon

Judge Milling has gone to confer with the United States Food Administration's officials concerning the voluntary contract which, in substance, will give the government absolute control of the distribution of Louisiana's 1941 sugar crop. He stated that he expected soon to be in a position to submit a definite proposition to the planters of this state.

The committee, known as the Louisiana Sugar Control Board, of which Judge Milling is the head, held a conference previous to his departure with a special committee of five of the American Growers' Association, which had been appointed to look into the contract arrangement. This conference took place in New Orleans Friday.

When seen at his office Saturday, Judge Milling would not say whether the planters had agreed to all of the clauses of the tentative contract which he submitted, but he made it plain that

SUGAR MOVEMENTS GAIN SOME SPEED

Shipments in June Better Than Hoped But Surplus Still Piles Up In Storage

Sugar moved considerably faster last month than had been expected and the dark and gloomy clouds that have shrouded the shipping situation are showing some rifts, are being riven by rays of light. The growing output of new ships, the vessels that are being turned over to the Matson line, the probability that that company will obtain still more, all serve to brighten the situation.

At the close of May the shipping situation for June looked gloomy enough. There was little shipping in sight and there was the possibility that half of the cargo space would go to canned pineapples. And yet sugar moved in far greater tonnage than was expected. It did not move as fast as it was produced but it moved considerably faster than the average for the previous six months.

Surge Movements

Shipments for last month were 50,500 tons of which the Sugar Factors Company sent 40,956 tons. At the same time production went forward at the rate of about 70,000 tons a month and so there was a reported increase of sugar awaiting shipment of about 30,000 tons, 141,050 as against 11,500 a month before.

Of the crop of the year which is estimated at 560,500 tons, there has now been shipped more than half, 290,056, the Sugar Factors having sent away less than half its crop and the other shippers somewhat more and the full shipments being 10,000 tons in excess of half the crop, this leaves 270,000 tons for shipment.

Grind As Usual

Of the present crop there has thus far been cut, ground, sacked and shipped or placed in storage awaiting shipment 431,106 tons which leaves 129,394 still to be ground. A little less than a quarter of the crop must still go through the mills and for eight percent remains to be shipped.

Indications have recently appeared that there is another change of plans as to point of delivery and that larger shipments than expected will go to the Eastern refiners. Some of these shipments, will, it is said, go by the canal and some by rail. The larger the proportion to go by the canal the better pleased will be the planters and the greater the quantity to go across continent by rail, the smaller will be their profits for the added freight rates at the railroad will be hard and cut deep through the pockets.

Proceeding at the same rate as last month for the next four months there would be moved 290,000 tons more and, even without additional shipping assistance, this would leave, awaiting shipment on November 2, 11,000 tons of sugar which would seriously interfere with the bookkeeping methods of the sugar companies, their sugar year running from December 1 to November 30, and this vast tonnage of sugar would have to be carried over into next year's accounts. But it is hoped and believed that in the next four months, especially in September and October, the raw sugar will move away at a speed that has not been known during the present war year.

On the other hand there is a belief that a higher price will be made to go into effect in December and January and if this hope is realized, then the plantation companies here would profit by reason of the delayed shipments, in proportion to the increase in sugar stock that is secured.

W. S. S.

BET SUGAR CROP TO SHOW SOME DECLINES

NEW YORK, June 23.—The prospective beet sugar production of the United States for the season of 1941-19 is placed at 743,500 ordinary tons by the preliminary estimate issued by the Monthly Brokerage Company, of Chicago, on June 15. This is 20,321 tons less than the actual production of 1917-18, as given by Meinrath.

The following table shows the estimated production for 1941-19 in comparison with the actual production for 1917-18, by main producing divisions:

	1917-18	1941-19
California	157,750	207,859
Utah, Idaho, Washington	153,100	130,000
Colorado, Montana, Wyoming, Nebraska, Kansas	206,150	313,246
Michigan, Ohio, Indiana, Illinois, Wisconsin	168,500	112,056
Total	743,500	763,821

no serious objection was raised to any particular feature.

Opposition Among Distributors

Among the dealers and brokers, however, sufficient opposition to one clause of the contract has developed so that the distributors' association, formed last week devoted to such an independent committee to Washington to endeavor to learn just what the status of the dealers and brokers would be under the proposed contract.

New Decolorizing Carbon Made From Waste In Wood

Process Invented By Swiss Chemist Is Tied Out Thoroughly In Louisiana and Shows Favorable Results

NEW YORK, June 23.—A new decolorizing carbon for cane juice, for which the claim is made that it will materially lighten the cost of production of both sugar and cane syrups, has been produced by Rod A. Demme, a Swiss chemist now residing in New York, East About Sugar reports.

Tons of the carbon, which is made from hydrolyzed ground wood chips, have been made both in Cuba and in Louisiana. The Louisiana tests were made by the Louisiana Experiment Station at Andubon Park and by Harry M. Tharr, of the Orange Grove sugar factory at Olivier, Iberia parish, and a report on the results obtained was made to the executive committee of the American Cane Growers' Association.

Dr. Zerkow, research chemist at Andubon Park, states in his report that the decolorizing power of the Demme carbon was found to correspond closely to that of a carbon made in the experiment station laboratory from pine sawdust impregnated with an equal amount of calcium oxide.

The experiments filed by Mr. Demme in applying for letters patent on his process describe it as follows:

"A decolorized wood waste, freed from soluble constituents, is, according to the present invention, subjected to a carbonizing treatment by heating it gradually and progressively and under regulating conditions to a sufficiently high temperature, for example, 800 degrees Centigrade or higher. The material will usually be in a sufficiently comminuted condition so that further subdivision will not be necessary, inasmuch as the wood waste is usually ground to a more or less fine state before the hydrolyzing treatment. When this material is gradually and progressively heated for the purpose of carbonizing, the moisture and the other volatile components are gradually and progressively removed so the material is given a porous structure, due to the escape of steam and other vapors and gases. As the material loses its moisture and other gaseous or vaporous components, it is converted into a more rigid as well as porous structure, so that at the end of the carbonization the material will be left in a highly porous condition.

"In as much as the soluble constituents were removed from the wood waste before carbonization, the substances thus removed are no longer present to prejudice the carbonizing operation or to require their subsequent removal or decomposition during the carbonizing. Because of their removal, the remaining wood material, freed from and of modified structure and character, gives a carbonized product of high purity and of improved properties."

W. S. S.

NEW LIMITS PLACED ON SALES OF SUGAR

Two-Pound Packages Rule In Metropolitan Shops

NEW YORK, June 23.—Announcing that present conditions make it necessary that use of sugar be reduced, the United States food administration, in a notice issued at the close of last week, imposed further restrictions on the sale of sugar for ordinary household consumption throughout the country. The new regulations have been put into immediate effect by the food administrators in the various states and cities.

Under these retailers are limited to sales of two pounds at a time to town and city customers, and five pounds to rural customers. Householders are requested to limit their use of sugar to two pounds per month for each person in the household. The rules governing sales on certificate for home canning purposes remain unchanged. The regulations, as promulgated by the federal food board in New York, are as follows:

"A. On and after June 15 retailers must limit each sale of sugar for ordinary household use to town and city consumers to two (2) pounds, and sales to rural consumers to five (5) pounds.

"B. Dealers should restrict sales of sugar to the following: houses, hotels, restaurants, clubs, tea rooms, and other public eating places, also hospitals and institutions, to the basis of three pounds per person per month. Dealers are expected to inform themselves of the number of persons served and to fill orders accordingly.

"C. Dealers should sell sugar for home canning purposes only on canning certificates which have been issued by the federal food board or its duly authorized agents. Sugar put on canning certificates must be used for canning and preserving only.

"D. No sugar is to be sold to manufacturers unless they have procured manufacturers' certificates.

"Boarding houses, hotels, restaurants, clubs and all public eating places are requested to estimate their own needs on the lowest possible basis of economy and to adopt all measures which will reduce sugar consumption to a minimum."

NITRATE PROBLEM NOT YET HOPELESS

If Supply Is Obtained By November or December Situation Is Not Very Serious

If nitrates can be obtained between now and November, and there seems no reason to believe that some at least will be secured, the 1920 crop will not suffer very seriously. If not—one does not like to dwell on the result that will be certain to follow.

Generally the plantations of the islands, especially the irrigated plantations, put on the nitrates about the time the rains come and this is usually in November or December. The irrigated plantations can use the fertilizer earlier than the unirrigated. Therefore, if nitrates in fair quantities can be secured between now and November or December the fears for the 1920 crop may be largely dismissed.

No change in the nitrate problem has occurred in the past few days. The fertilizer companies are without connections but not without hope. Norman Walker, manager of the Hawaiian Fertilizer Company says that he believes there is ground for hope that nitrates may be secured before the rains start. He thinks that the steadily increased output of the Pacific Coast shipyards warrants such a hope. He thinks that the absolute need for sugar will bring an awakening as to the necessity of bringing nitrates here in time to prevent serious shortage of the 1920 crop and that awakening will bring the resumption of some of the new ships for the purpose of nitrate carrying.

There is no shortage of nitrates in Chile. The shortage is of bottoms to carry it for the supply is sufficient to furnish the needs of the world for untold years. It is only how to bring the nitrates.

Last year, when there was a sugar famine in New York and the East it was said there was no acute shortage in the world supply, the trouble was in distribution, the sugar was not where it could be used and could not be brought to the marketing points. So it is with nitrates. Nitrate in Chile in the nitrate fields is of comparative little value as compared to its worth on Hawaiian cane fields.

It is customary to apply the fertilizer as soon as possible after the young cane is planted. The planting season is now on but will be delayed some by reason of the acute labor problem. How much fertilizer can be brought here in time for such early use depends on the shipping that can be made available. The present indications are for a late planting of the 1920 crop and a consequent later use of fertilizer. The situation is therefore not without hope of relief.

If the fertilizer shall not come in season, the combination of scarcity of nitrates and of labor will be a serious handicap for the 1920 outlook.

W. S. S.

REFINERS PLEASED WITH LABOR PROGRAM

NEW YORK, June 23.—Operating heads of Eastern refineries express general satisfaction over the elaborate plan which the United States employment service announces is to be worked out for the systematic recruiting and employment of labor among industries not engaged in war work.

If this plan proves a success it will serve to protect the refineries from the present pretense of labor stealing on the part of manufacturers engaged in war work, the results of which have been the cause of considerable annoyance to the refineries since the first of the year and in many instances have brought about an appreciable slowing up in production. It should also make available for them a permanent source of labor supply which will be most welcome and helpful.

Plan Announced

The statement announcing the plan issued at the New York City headquarters of this service on June 10 read in part as follows:

"The government has now under consideration the issuing of an order directing the United States employment service bureaus to take over the recruiting of labor of all kinds for war production. When this order goes into effect it will accompany it to employers with war orders to stop independent labor recruiting and to secure in future all labor workers through the government employment service exclusive.

End Labor Stealing

"The effect of such an order or such orders will be to clarify the situation and simplify the procedure of obtaining labor and relieve the employer of a great deal of worry and uncertainty. It will tend to put an end to the practice of labor stealing which is just now the cause of considerable complaint.

Workers going from one yard to another because of larger inducements offered by those who feel that they have got to get men no matter what the price or demands they meet. It will thus reduce the labor turnover and probably put out of action the registration of jobs through private employment agencies.

"It is figured out that the direct result of this new move by the government will be to increase common labor, since the recruiting privately will end. It is said that twenty-five percent to forty percent of the common labor today is essentially idle. The new system will stabilize the supply."

SOMEBODY SLEPT AND PLANTATIONS DISCOVER THEY NEED MUCH LABOR

Time To Have Met Situation Was Months Ago When Drafttees Were Being Classified and Now Industry Must Seriously Suffer and Production Show Heavy Decrease Unless Some Remedy Shall Be Speedily Found

Plantation labor in large numbers is needed acutely by the sugar companies of the Territory and where and how to secure the needed workers no one knows for the need is as immediate as it is acute and even were there a source of supply to meet the need, which is the shipping situation that it is impossible to bring labor here.

Up to Wednesday afternoon there had been filed with the labor bureau of the Sugar Planters' Association applications for 1775 plantation workers and this by no means covered the requirements of the plantations for it is realized that the bureau is unable to furnish any such supply and not all of the plantations had filed requisitions nor had all those who had asked for labor filed statements covering their need fully. The shortage of labor at the present time is certainly in excess of 3500 men.

No Supply Available
Labor could be obtained from the Philippines if transportation were available, perhaps not to the full requirements but to an extent that would prove of great assistance, but the transportation is not available.

Other labor has been promised from Porto Rico but the terms and cost of such labor have not been secured from the government and if they had been learned it is as impossible to get transportation for labor from there as it is from the Philippines. As time goes on and it is likely that in time some remedy will be found, the 1919 and 1920 crops are suffering from the acute shortage of labor. They are certain to be considerably smaller than they would be were the usual amount of labor available.

Some Lose Half
Some of the plantations have lost from forty to fifty percent of their laborers. That means they must use their available labor for the cutting and grinding of this year's crop and must let the cultivation of the fields for the next crop and the planting for the 1920 crop wait or must abandon it if relief from the shortage be not speedily found.

It is growing more and more evident that five or six months ago somebody was asleep, apparently a good many somebodies, for more than half of the present shortage might have been avoided by action taken by the individual plantations. They could have, if they had taken the steps, protected the field labor from call under the draft and they did not do so. It is therefore evident that the plantation companies are to blame for the serious plight in which they find themselves.

Rules Not Understood
It may be that the draft law was misunderstood or it may be, as has been suggested, that it was believed by the plantation companies that the draft would never be called. Be this as it may when the time for action was at hand no action was taken to secure deferred classification for plantation workers.

In some instances, perhaps in the majority, there was a misunderstanding of the law. It was understood that labor required for essential production was entitled to deferred classification under the rules and regulations of the Selective Draft Law. It was assumed that the draft board would of its own motion classify the draftees accordingly whether such draftees claimed or waived exemption. Here was mistake number one, for the law should have been investigated.

Exempted On Claims
Instead of classifying, as it seems to have been assumed they would, according to the labor in which draftees were engaged, the draft boards exempted or put into deferred classes according to the demands of the draftees when such demands were found to be warranted. If the draftee waived exemption, then he went into the first class subject to the call. If claim for exemption had been made by employers, and had been proper, the deferred classification would have been granted by the draft boards.

Fail To Investigate
But the plantation companies did not investigate. Instead of the managers, or their representatives, going before the draft boards with each draftee and asking exemption or deferred classification, nothing of the kind was done. The draft was permitted to go ahead practically unnoticed and unheeded. The men were classified, they were examined and their cards were issued to them and no appeals were taken. Then it became too late. And still the draft was not called and many of the companies went on in the belief that the call of the guard would be more important and would cut their work more than the call of the draft. Besides it had gone on so long with that call for either that there might never be a call. And then came the call of the guard and the companies found

that claim for exemption was made for higher employees in some instances but not for exemption of the field labor. And there would have been nothing in asking such exemption. The army is not especially anxious to secure Filipinos, would prefer others. The Filipino is more useful on the plantations than in the mobilization forces where he has to be taught English as well as drilling and military maneuvers. Had these been left in the fields other men who were classed lower than the class one divisions to be first called, would have been taken instead and an industry essential not only to the Territory but to the whole country since sugar is an absolute necessity and is now limited to three pounds a month a person on the mainland.

Damage Now Done
But the damage has been done. It has been said that the labor bureau should have acted but if that bureau undertook to handle the labor matters for the plantations there would be a great deal to do. It appears to have been an individual matter for each plantation though now it affects them all collectively.

If labor is not available then the least productive fields will have to be left unutilized. That will mean a reduction of just no many tons to so many acres less of cane and hence of sugar than there would otherwise have been. A plantation that has only fifty or sixty percent working force is not going to grow cane to an extent where it cannot cut it for the mill. The more productive fields will be cultivated and the less productive ones will be cultivated and cut where there is reason to believe they can be. This will mean a considerable decrease in the 1919 crop, how considerable it is as yet impossible to determine.

Where To Turn?
The next problem is to secure labor. How or where has not been determined. It will take time to bring labor from the Philippines or from Porto Rico. It would take time to secure a suspension of the Contract Labor Law to permit the bringing here of Russian refugees and they could not be brought in otherwise unless the Planters' Association laid itself open to prosecution. It would take time to secure a lifting of the provisions of the "Gentlemen's Agreement" with Japan so that passports could be issued to Japanese laborers for Hawaii, they to pay their own passage money. It seems unlikely if not impossible that any legislation permitting the entry of Chinese labor can be secured.

Help Possible
It is possible for the people of Honolulu to disperse with Japanese yard boys to a large extent so that they may have to go to the fields. When the next legislature convenes a law to put idlers to work may be passed as has been done in Maryland, West Virginia, New Jersey and New York and this would send many others to the fields in preference to idling at any level on the roads. These plans would help and every man who can be brought to work on the plantations is now essentially needed.

It is unfortunate that somebody slept at the throttle while danger signals were passed but that is over and the result is a shortage of labor to the extent of not less than 3500 men and the probability of a much smaller crop next year than would otherwise have been.

DISMANTLE FACTORY
NEW ORLEANS, June 18.—The Milly factory at Plaquemine, recently bought by the Wilberts, is being dismantled and the machinery shipped to the Victoria factory at Patterson. The cane crop will be ground at Myrtle Grove.

OPEN RECREATION HOUSE
CAMP CODY, New Mexico, July 1.—(Associated Press)—A recreation house for Red Cross nurses stationed here is being built. The building will have an assembly room, a rest room, sewing and knitting rooms and library. It will be similar to those built by the Red Cross in other army camps.

COLDS CAUSE HEADACHES
LAXATIVE BROMO QUININE removes the cause. Used the world over to cure a cold in one day. The signature of E. W. GROVE is on each box. Manufactured by the F. A. R. S. MED. CINE CO., St. Louis, U. S. A.